

Jan 1959

MEMORANDUM FOR: Comptroller

SUBJECT : Program for Greater Efficiency in CIA

1. My duties primarily deal with the conduct of studies and the making of recommendations toward financial management improvement which involves two basic objectives:

a. The development and furnishing of improved financial data by the Comptroller, and

b. Encouraging and training operating personnel in using financial data to provide for better planning and control over operations.

2. The financial management program is designed, I feel, to assist the Agency in achieving the general objectives of the Director's "Program for Greater Efficiency in CIA", i.e., achieving greater efficiency and savings in manpower. Specifically as the Director's request applies to the Comptroller's Office, I believe it can best be answered by the financial program we have developed for Fiscal Year 1960. Briefly this is as follows:

a. The Agency is committed by law to prepare its budget on a cost basis as soon as practicable and the Director has reported to the Bureau of the Budget that we propose to prepare a cost budget for Fiscal Year 1962. We all know from experience with previous laws that such a change in financial operations calls for expanded procedures, more detail, more accounting, and more reporting. To meet such a requirement generally calls for more personnel and equipment as several other agencies have already learned.

b. In keeping with the Director's request for economy and manpower savings, the Comptroller plans to place the cost program into effect without additional personnel. This will be done as follows:

(1) Do all of the costing work within the present personnel ceiling of the Comptroller's Office and not burden the offices with the cost program.

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(2) Decentralize the obligation record keeping to the allottees (who in most cases have been keeping memorandum records) and thus avoid duplicate record keeping and also have manpower available for costing purposes.

(3) Simplify the budget process by consolidating the vouchered and unvouchered requirements and thereby reduce paper volume to be submitted by the offices by about forty percent.

(4) Adjust the accounting code in order to provide by machine methods the maximum information possible and thus reduce the number of special reporting exercises and also eliminate the necessity for the offices to keep supplemental statistics.

(5) Provide consolidated reports to management. This facilitates the use of and enhances the value of the accounting data.

c. In addition to the foregoing organizational and procedural changes, the Comptroller's Office will intensify its accounting and budget training program for all Agency employees so that these employees will be able to prepare and utilize budget and accounting data in the most efficient and economical manner.

4. The program outlined above has been reviewed in more detail with you and, I believe, it could well be the focal point for your report to the Deputy Director (Support).

Special Assistant - FMI

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JLB/ss

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